

1 Q. Does Hydro intend on conducting a valuation of its rate base so that it may
2 fixed and determined in accordance with sections 64 and 68 of the *Pubic*
3 *Utilities Act*? (JCR p. 12, line 6)
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6 A. A 1996 amendment to the Hydro Corporation Act provides legislative
7 direction as to the issue of the valuation of Hydro's rate base. Subsection
8 17(2), as thereby amended, states as follows:
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10 “(2) For all purposes of the *Public Utilities Act*, the rate base of the
11 corporation shall include the property and assets of the
12 corporation at their net book value but excludes investments in
13 subsidiaries of the corporation.”
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15 Hydro followed this provision in its 2001 General Rates Application at which
16 time it first applied for approval of its rate base. Hydro is following this
17 provision again in the present application. The legislative direction found in
18 subsection 17(2) of the Hydro Corporation Act precludes and obviates a
19 valuation of Hydro's rate base under sections 64 and 68.